

GENERAL DYNAMICS

Armament and Technical Products

Chemical Biological Defense Acquisition Initiative Forum

General Discussion - Detection Systems Sector

September 27, 2007

Detection Sector: Industry Input Agenda

Assigned Topics:

- Sale of industry developed DoD equipment to State and Local Governments
- Liability limitations beyond Safety Act coverage
- Sale of DoD developed equipment to State and Local Governments

New Industry Topics

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- Industry Response Summary
 - Database Derived from NBC Industry Membership and CB Breakfast Attendees
 - Solicited 23 companies
 - Responses – 5 total (Quality not Quantity)
 - Examples of companies are in multiple sectors
 - Northrop Grumman reports through Systems Integration
 - Hamilton Sundstrand, SESI reports under Engineering & Manufacturing Development

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Industry Developed Equipment to State and Local Governments

- Question: What is your company's position on the sale of equipment to state and local governments of products internally developed for the DoD?
- Responses:
 - All responses indicated the support of providing internally developed products/services to State and Local Governments
 - Maximizing volume increases efficiencies in production and lowers development for each customer
 - Challenges remain regarding range of State and Local tax laws and budget process

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Liability limitations beyond Safety Act coverage

- **Question: Since there is no indemnification, short of the Safety Act that only covers acts of terrorism, are there liability restrictions that limit your market potential?**
- Responses
 - Most Frequent Response
 - We recognize this as a cost of doing business and self insure against liabilities in markets not covered by the Safety Act. We support extending the reach of the Safety Act to cover contingencies other than that of just terrorism.
 - Least Frequent Response
 - There are liability restrictions taken into consideration that prohibit the use of some of our equipment beyond that of DoD.
- Discussion Points
 - The verification process of acts of terrorism is a liability in itself
 - Mission Parameter guidelines and associated decisions are the basis for additional liability concern

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Restriction Relief from DoD for State/Local Use

- Question: Do you want the DoD to release restrictions on products developed under a DoD contract, so you can sell these systems to State and Local Governments?
- Responses:
 - All responses indicated the support of providing DoD developed products/services to State and Local Governments
 - Liability comments per previous slide apply

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Biosurety

- **Question: What feedback and viewpoints will you provide regarding specific issues on Biosurety?**
 - **Battelle is the only respondent with expertise and comments**
 - **John Wade to elaborate – Biosurity Light Briefing available**
- DoD Source Material – need to distinguish between ‘source’ and lineage (e.g. the difference between a bottle of anthrax spores from USAMRIID versus spores grown from an agar slant of Ames *B. anthracis* from USAMRIID)
- Access – Should be limited to primary containers of reference stocks; in concert with “DoD Source” definition
- Background Checks – DoD/Army should accept DOJ/FBI adjudicated CDC Unique Identifier

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New Topics

- Question: Does your company have any risk aversion to SDD Contracts with Production Pricing Options:
 - Most Frequent Response
 - The risk assessment of unknown variables will drive costs up to the government
 - Proposal costs are increased
 - Pending the maturity of the SDD Phase, this may limit the quantity of offerings and proposals
 - Least Frequent Response
 - This strategy is preferred, as it gives the company the option of how to present costs and more flexibility on the ROI calculation provides for a more competitive cost.

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New Topics

- Question: Does your company have concerns regarding the term COTs used for the acquisition of detection products and related technical data that are export controlled by ITAR?

➤ Responses

- All responses were, yes
- Comments
 - Complicates risk with multi-national companies doing development work across borders
 - COTs implies commercially available and may lead to errors in judgment and ITAR violations
 - Revising term to “Non-developmental item” may clarify status for acquisition and relieve the issue

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